



PROPOSED RULE MAKING
(RCW 34.05.320)

CR-102 (7/22/01)
Do NOT use for expedited
rule making

Agency: Public Disclosure Commission

- ☒ Preproposal Statement of Inquiry was filed as WSR 03-13-104; or
☐ Expedited Rule Making -- Proposed notice was filed as WSR _____; or
☐ Proposal is exempt under RCW 34.05.310(4).

- ☒ Original Notice
☐ Supplemental Notice
to WSR _____
☐ Continuance of WSR _____

(a) Title of rule: (Describe Subject) Title 390 WAC – Rules relating to out-of-state or federal political committees (WAC 390-16-050 and 055), Electronic filing (WAC 390-19-030), reporting of campaign expenditures (WAC 390-16-037, 041 and 205) and small contributors of twenty-five dollars or less (new rule WAC 390-17-105).

Purpose: To clarify reporting requirements for candidates and political committees.

Other identifying information:

(b) Statutory authority for adoption: RCW 42.17.370

Statute being implemented: chapter 42.17 RCW

(c) Summary: The proposed rule amendment to WAC 390-16-050 and repeal of WAC 390-16-055 conforms to statutory provisions of House Bill 1294, which became effective on July 27, 2003. The proposed rule amendment to WAC 390-19-030 reflects the new statutory threshold level for electronic filing and establishes an additional benchmark for filers. The proposed amendments to WAC 390-16-037, WAC 390-16-041 and WAC 390-16-205 would provide clarification and examples to filers on reporting campaign expenditures. New WAC 390-17-105 implements requirements of a King County Superior Court permanent injunction regarding small contributors.

Reasons supporting proposal: The proposed amendments and new rule will clarify the statutory requirements under chapter 42.17 RCW and provide guidance to those entities required to disclose campaign contributions and expenditures.

(d) Name of Agency Personnel Responsible for:	Office Location	Telephone
1. Drafting..... Doug Ellis	PDC 711 /Capitol Way, Rm 206, Olympia	(360) 664-2735
2. Implementation.... Doug Ellis	PDC 711 /Capitol Way, Rm 206, Olympia	(360) 664-2735
3. Enforcement..... Phil Stutzman	PDC 711 /Capitol Way, Rm 206, Olympia	(360) 664-8853

(e) Name of proponent (person or organization):
☐ Private
☐ Public
☒ Governmental

(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement and fiscal matters:
None

(g) Is rule necessary because of:

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

If yes, ATTACH COPY OF TEXT

Citation: Washington Education Association Political Action Committee v.
Public Disclosure Commission, King County Superior Court, NO. 01-2-
29388-5KNT

(h) HEARING LOCATION:

Commission Hearing Room
Evergreen Plaza Building
711 Capitol Way, Room 206
Olympia, WA

Date: December 10, 2003 Time: 9 a.m.

Assistance for persons with disabilities: Contact
Ruthann Bryant by Telephone

TDD () _____ or (360) 753-1111

NAME (TYPE OR PRINT)

Susan Harris

SIGNATURE

TITLE

Assistant Director

DATE

11/3/03

Submit written comments to:

Doug Ellis (dellis@pdc.wa.gov)

Public Disclosure Commission

PO Box 40908

Olympia, WA 98504-0908

FAX (360) 753-1112 By (date) December 2, 2003

DATE OF INTENDED ADOPTION: December 10, 2003

CODE REVISER USE ONLY

COMMUNICATIONS OFFICE
STATE OF WASHINGTON
FILED
NOV 4 2003
TIME 9:32
WSR 03-22-066
PM

(COMPLETE REVERSE SIDE)

(j) Short explanation of rule, its purpose, and anticipated effects:

The proposed rule amendments to WAC 390-16-050 and repeal of WAC 390-16-055 reflect changes to PDC form C-5 and would eliminate the forfeiture rule. The proposed amendments would implement the provisions House Bill 1294 which became effective on July 27, 2003.

Proposed amendments to WAC 390-19-030 reflect the new threshold level for mandatory electronic filing on January 1, 2004 and establishes an additional benchmark for determining when a filer can reasonably "expect to expend" an amount equal to or more than \$10,000.

New WAC 390-17-105 is in response to a King County Superior Court injunction enjoining the Commission from taking action to enforce RCW 42.17.680(4) by requiring employers to disclose the names or signatures of such individuals who have made contributions in the amount of twenty-five dollars or less during the year.

Proposed amendments to WAC 390-16-037, WAC 390-16-041 and WAC 390-16-205 clarify the reporting requirements to provide a detailed breakdown of campaign expenditures and provides examples of how these campaign expenditures should be reported on PDC forms.

Does proposal change existing rules? ☒ YES ☐ NO

If yes, describe changes:

The proposed rule changes clarify and provide guidance to individuals, candidates and political committees on the statutory requirements of chapter 42.17 RCW.

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.
A copy of the statement may be obtained by writing to:

telephoning: ()
faxing: ()

☒ No. Explain why no statement was prepared
The implementation of this rule has minimal impact small businesses.

(l) Does RCW 34.05.328 apply to this rule adoption? ☐ Yes ☒ No

Please explain:

The PDC is not an agency listed in subsection (5)(a)(i) of section 201. Further, the PDC does not voluntarily make section 201 applicable to this rule adoption pursuant to subsection (5)(a)(ii) of section 201, and to date JARRC has not made section 201 applicable to this rule adoption.

AMENDATORY SECTION (Amending WSR 01-22-052, filed 10/31/01, effective 1/1/02)

WAC 390-19-030 Electronic filing--Reporting threshold. (1) ~~((Beginning with the reporting periods that start on or after January 1, 2002,))~~ The "electronic reporting threshold" that requires electronic filing of all contribution and expenditure reports is met when a candidate or political committee has expended ~~(((\$25,000))~~ \$10,000 or more in the preceding calendar year or expects to expend ~~(((\$25,000))~~ \$10,000 or more in the current calendar year. ~~((The electronic reporting threshold is \$10,000 effective January 1, 2004.))~~

(2) It is presumed that a filer "expects to expend" ((is defined as)) \$10,000 or more when any one of the following first occurs:

(a) A filer ~~((meets or exceeds the electronic reporting threshold))~~ spends at least \$10,000;

(b) A filer ~~((s expenditures during the last election))~~ is a candidate for the same office sought ((met or exceeded the electronic reporting threshold)), the filer's election is in the current calendar year, and his or her campaign expenditures in the previous election for the same office were \$10,000 or more;

(c) A filer's expenditures meet or exceed ~~((one-quarter of the electronic reporting threshold in the first calendar quarter))~~ \$2,500 on or before March 31 of the current calendar year;

(d) A filer's expenditures meet or exceed ~~((one-half of the electronic reporting threshold in the first half))~~ \$5,000 on or before June 30 of the current calendar year; ~~((or))~~

(e) A filer's expenditures meet or exceed \$7,500 on or before September 30 of the current calendar year; or

(f) A filer otherwise projects that ((the electronic reporting threshold will be met)) \$10,000 or more will be spent during the current calendar year.

(3) The following expenditures or transactions are excluded from the electronic reporting threshold calculation:

(a) Expenditures made to pay outstanding debts carried forward from a previous election; and

(b) Surplus funds disposed of in accordance with RCW 42.17.095.

(4) Candidate committees or political committees supporting or opposing ballot propositions that meet, exceed or expect to meet or exceed the electronic reporting threshold shall report electronically for the duration of the campaign.

(5) ~~((Beginning with the reporting periods that start on or after January 1, 2002,))~~ A report that is filed with the commission electronically need not also be filed with the county auditor or elections officer pursuant to RCW 42.17.080.